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Before the
FEDERAL COMMUNICATIONS COMMISSION
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

2000 Biennial Regulatory Review)

Policy and Rules Concerning the International,
Interexchange Marketplace)

IB Docket No. 00-202

REPLY COMMENTS OF
SNET AMERICA, INC. and
SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC.

I. INTRODUCTION AND SUMMARY

SNET America, Inc. ("SAI") and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance ("SBCS"), by their counsel, respectfully submit reply comments on the above-captioned notice of proposed rulemaking.¹ SAI and SBCS are international carriers and are subsidiaries of SBC Communications, Inc. In the Notice, the Commission proposes to extend its domestic detariffing policy to international interexchange services of non-dominant carriers.

SAI and SBCS agree with the joint comments of WorldCom, AT&T, Concert, Qwest, and Sprint that generally support the Commission's detariffing proposals for international interexchange services.² Moreover, SAI and SBCS urge the Commission to

¹ IB Docket No. 00-202, Notice of Proposed Rulemaking (released Oct. 18, 2000)(the "Notice").

² See joint comments of WorldCom, AT&T, Concert, Qwest and Sprint, IB Docket No. 00-202 (filed Nov. 17, 2000) (the "Joint Comments"). All references hereinafter to comments of a party refer to comments filed in IB Docket No. 00-202 on or about November 17, 2000.

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eliminate the quarterly and annual reports required under section 43.61 of the Rules (“section 43.61 reports”) for non-dominant international carriers.³

II. SAI AND SBCS SUPPORT INTERNATIONAL DETARIFFING AND REMOVAL OF UNNECESSARY REPORTING REQUIREMENTS

Like the carriers that filed the Joint Comments, SAI and SBCS support the Commission’s proposal to forbear from requiring non-dominant international carriers to file tariffs for international interexchange services. U.S. international carriers that the Commission classifies as dominant due to affiliation with a foreign carrier also should be subject to complete detariffing of their international interexchange services.⁴ Only two types of international carriers should be required to file carrier-to-carrier contracts: those classified as dominant for reasons other than foreign affiliation, and those that contract for services directly with foreign carriers that have market power.⁵

SAI and SBCS especially urge the Commission to adopt a transition period for complete detariffing of international interexchange services of no less than nine months.⁶ The Commission initially set a nine-month transition period for the complete detariffing of domestic interexchange services (“complete domestic detariffing”). Such a transition period is the minimum necessary for non-dominant international carriers to implement complete detariffing of international services as proposed in the Notice. As in the

³ See 47 C.F.R § 43.61.

⁴ See Notice at para. 5.

⁵ See Joint Comments at 10-11.

⁶ See *id.* at 12-13.

domestic context, the Commission should permit non-dominant international carriers to engage in permissive detariffing during the transition period.

In conjunction with the transition period for complete detariffing of international interexchange services, the Commission should extend the final date for complete domestic detariffing in order to allow the simultaneous detariffing of international and domestic interexchange services. Simultaneous detariffing has major benefits for customers and carriers. For customers, simultaneous detariffing will minimize customer confusion by permitting consistent and organized customer notification.⁷ Simultaneous detariffing also will minimize unnecessary compliance costs to carriers.⁸ The detariffing process is costly because it involves extensive interactions with customers as well as complex internal coordination for carriers. Simultaneous detariffing will minimize the costs of changing or canceling tariffs, changing websites and other means of public disclosure, customer education and service, and legal services by avoiding the needless repetition of these tasks.

SAI and SBCS also support permissive detariffing, rather than complete detariffing, in two specific situations described in the Notice: for international dial-around 1+ services,⁹ and during the first 45 days of service to those new customers who contact their local exchange carrier ("LEC") to choose or change their interexchange

⁷ See comments of Excel Communications, Inc. at 1.

⁸ See comments of Viatel, Inc. at 3.

⁹ See Notice at para. 20. International dial-around 1+ services are those international interexchange direct-dial services that end users access by dialing an access code. *Id.*

carrier.¹⁰ For international dial-around 1+ services, permissive detariffing will enable non-dominant international carriers to determine the best means of entering and maintaining legally enforceable carrier-customer relationships with users of such services.¹¹ As the Notice recognizes, tariffs may be necessary to establish such relationships because of possible technical difficulties for carriers in distinguishing users of dial-around 1+ services from direct dial 1+ services.¹²

Similarly, if a new customer contacts a LEC to choose or change an interexchange carrier, the interexchange carrier has no direct contact with the customer, and may be unable to establish a legal contract with that customer for some time.¹³ SAI and SBCS agree with the approach of the Joint Comments that, in this situation, an initial 45-day period of permissive detariffing would permit international interexchange carriers and customers to establish binding legal relationships.¹⁴

In addition, the Commission should eliminate the requirement that non-dominant international carriers file section 43.61 reports. In its initial comments, Verizon Wireless proposed the elimination of the annual 43.61 report for international CMRS resellers.¹⁵

¹⁰ See *id.* at para. 21.

¹¹ See Joint Comments at 9-10.

¹² See Notice at para. 20.

¹³ See *id.* at para. 21.

¹⁴ See Joint Comments at 10.

¹⁵ See comments of Verizon Wireless at 4-6. As Verizon Wireless observes, the Notice requested comment on issues related to detariffing. See *id.* at 4 (*citing* Notice, para. 5).

However, the reasoning of those comments applies generally to the quarterly and annual section 43.61 reports required of non-dominant international carriers.

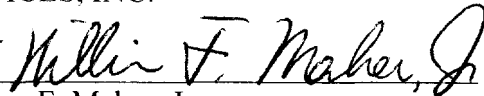
The information collected in the section 43.61 reports does not provide significant regulatory benefits with respect to non-dominant international carriers. Because such carriers by definition lack sufficient market power to engage in anticompetitive conduct,¹⁶ they do not pose a threat to international competition. Accordingly, there is no need to monitor non-dominant carriers' activities or to collect information on their international traffic. As importantly, the section 43.61 reports are extremely burdensome to prepare and file. Such a burden is unwarranted when its benefits, if any, are so slight.

III. CONCLUSION

SAI and SBCS applaud the Commission's initiative in proposing the detariffing of international services and addressing related issues. SAI and SBCS ask the Commission to act consistently with these reply comments.

Respectfully submitted,

SNET AMERICA, INC.
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¹⁶ See *Streamlining the International 214 Authorization Process and Tariff Requirements*, IB Docket No. 95-118, Report and Order, 11 FCC Rcd 12884, 12895 (1996).